

Message Text

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ACTION XMB-04

INFO OCT-01 ARA-06 ISO-00 SP-02 USIA-06 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00
CIAE-00 INR-07 NSAE-00 L-03 /068 W
-----051324 031432 /46

R 042215Z MAR 77
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 0695

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PASS EXIMBANK

E.O. 11652: N/A
TAGS: EFIN, MX
SUBJ: TAX ON INTERESTS PAYMENTS TO FOREIGN FINANCIAL
INSTITUTIONS

1. AS EXIMBANK IS AWARE, GOM TAXES INTEREST PAYMENTS TO
FOREIGN NATIONAL CREDIT INSTITUTIONS AT 10 PERCENT AND
INTEREST PAYMENTS TO FOREIGN PRIVATE FINANCIAL INSTITUTIONS
AT 21 PERCENT. WHILE INTEREST PAYMENTS TO EXIM ARE TAXED
AT LOWER RATE, INTEREST PAYMENTS ON EXIM GUARANTEED LOANS
ARE TAXED AT HIGHER RATE.

2. LOCAL CHASE REPRESENTATIVE TELLS US THAT INTEREST
PAYMENTS ON LOANS GUARANTEED BY COFACE, FRENCH EXPORT CREDIT
AGENCY WHICH WE UNDERSTAND OPERATES THROUGH PRIVATE
FINANCIAL INSTITUTIONS, ARE NOW BEING TAXED AT 10 PERCENT.
U.K. EMBASSY TELLS THAT ECGD GUARANTEED CREDITS ARE ALSO
BEING TAXED AT 10 PERCENT AND THAT APPROPRIATE DOCUMENTS
ON EACH LOAN ARE PROVIDED TO GOM TAX OFFICIALS.

3. FINATT RAISED MATTER OF EQUITABLE TREATMENT WITH
UNDER-SECRETARY FOR REVENUE IN COURSE OF DISCUSSION
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ON OTHER MATTERS. HE NOTED THAT THE SEPARATE TAX RATES
WERE A SOURCE OF PROBLEMS AND THAT THEY HAD HOPED TO
CHANGE THE LAW LAST DECEMBER, BUT WERE
PREOCCUPIED WITH OTHER MATTERS. HE SAID THAT THEY ARE
STUDYING THE MATTER THIS YEAR AND WILL INTRODUCE SOME
YET UNKNOWN MODIFICATIONS TO THE LAW AT YEAR-END. HE
ALSO INDICATED THAT IF WE WERE TO PRESENT OUR CASE IN

WRITTEN FORM, THEY WOULD STUDY THE MATTER. CHASE
REPRESENTATIVE, WHO IS PRESSING US TO DO SOMETHING HAS
OFFERED US SOME INFORMATION ON THE TREATMENT OF COFACE
THAT HIS LAWYER HAS.

4. ACTION REQUESTED: DOES EXIMBANK BELIEVE IT WORTHWHILE
TO PURSUE THIS MATTER?
THOMPSON

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAXES, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Mar-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MEXICO02726
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770076-1065
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770392/aaaaddqx.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 87beabbd-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3208373
Secure: OPEN
Status: NATIVE
Subject: TAX ON INTERESTS PAYMENTS TO FOREIGN FINANCIAL INSTITUTIONS
TAGS: EFIN, MX
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/87beabbd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
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